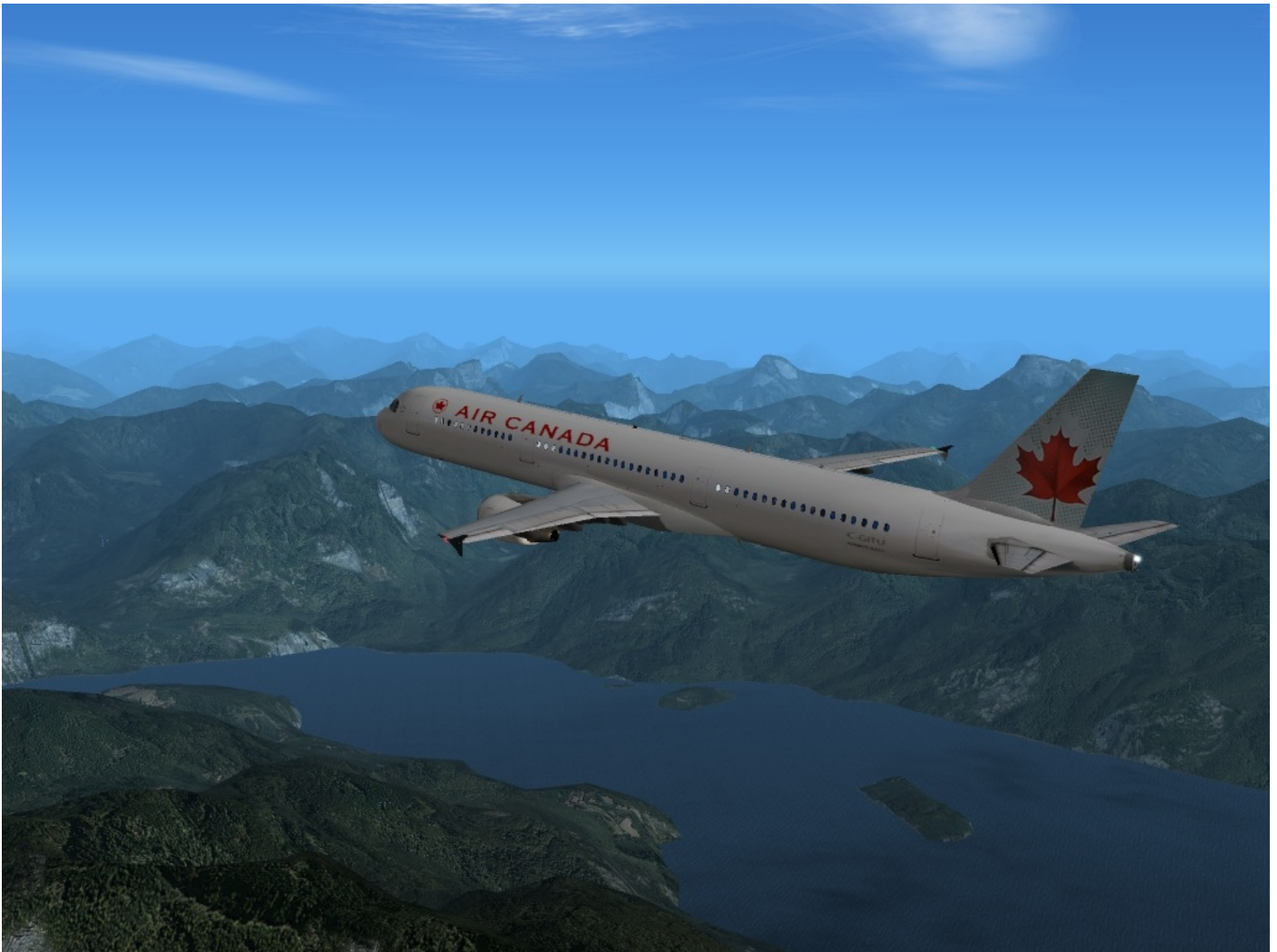




AIR CANADA ANNOUNCES CLOSING OF US\$537,092,000 PRIVATE OFFERING OF ENHANCED EQUIPMENT TRUST CERTIFICATES

News / Finance



Air Canada announced today the **closing** of its previously announced **private offering** of three tranches of **enhanced equipment trust certificates**, in the aggregate face amount of **U.S.\$537,092,000**. The private offering was comprised of Class AA certificates, Class A certificates and Class B certificates. The Class AA certificates have an interest rate of 3.750% per annum and a final expected distribution date of December 15, 2027. The Class A certificates have an interest rate of 4.125% per annum and a final expected distribution date of December 15, 2027. The Class B certificates have an interest rate of 5.000% per annum and a final expected distribution date of December 15, 2023. The three tranches of certificates have a combined weighted average interest rate of 4.044%.

“Our latest EETC offering was once again very well received by the institutional investors to whom

it was directed, with both the Class AA and Class A tranches rated “Investment Grade” by the rating agencies,” said Michael Rousseau, Executive Vice President and Chief Financial Officer. “This third offering brings the amount raised under our EETC financings to over U.S.\$2.28 billion, allowing Air Canada to finance the acquisition of 12 Boeing 787 and seven Boeing 777 aircraft at internationally competitive levels. We are pleased with the offering’s reception which we believe reflects positively on our continued success in executing on the airline’s strategy for sustainable, profitable growth,” said Mr. Rousseau.

Each class of certificates represents an interest in a related pass through trust. The trusts will use the proceeds from this offering to acquire equipment notes to be issued by Air Canada and secured by three new Boeing 787-9 aircraft and two new Boeing 777-300ER aircraft, which are currently scheduled for delivery in April and May 2016. The security interest in each of the aircraft will benefit from the protections of the Cape Town Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment, as enacted in Canada.

Air Canada will use the proceeds from the sale of the equipment notes to finance the acquisition of these new aircraft.

The certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and state securities laws. The certificates were offered and sold only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act, and to persons other than U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. The certificates have not been and will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the certificates in Canada will be made on a basis that is exempt from the prospectus requirement of such securities laws.

14 DECEMBER 2015

ARTICLE LINK:

<https://50skyshades.com/news/finance/air-canada-announces-closing-of-us537092000-private-offering-of-enhanced-equipment-trust-certificates>